

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 21, 2015

TO: Honorable Jim Keffer, Chair, House Committee on Natural Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4097 by Hunter (Relating to seawater desalination projects.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require the Texas Commission on Environmental Quality (TCEQ) to adopt new rules that allow desalinated seawater to be used for nonpotable uses. The rules would specify the quality of the desalinated seawater not be required to meet drinking water standards, that a public drinking water supply may not be connected to any alternative source unless backflow prevent is provided, and equipment used to desalinate seawater may not subsequently be used for potable water production.

The bill would require the Public Utilities Commission (PUC) to conduct studies with the Electric Reliability Council of Texas (ERCOT) related to seawater desalination projects.

The bill would require that a water right permit be obtained for desalination of seawater for industrial use. Such permits would not require a finding of water availability, would need to be consistent with the TCEQ's adopted environmental flow standards, and would not require public notice or be subject to a contested case hearing.

The bill would authorize TCEQ to issue a permit to discharge waste from a desalination facility into the Gulf of Mexico; evaluate compliance with developed water quality standards, requirements of the Texas Pollutant Discharge Elimination System (TPDES) program, and applicable federal law in issuing such a permit; indicate permits may be individual permits complying with Texas Water Code Subchapter M, Chapter 5 (Environmental Permitting Procedures) or general permits in accordance with Water Code Section 26.040 (General Permits).

The bill would authorize TCEQ to issue an individual Class I injection well permit or general permit authorizing the disposal of brine produced by the desalination of seawater.

The bill would take effect immediately if it receives a vote of two-thirds of all members elected to each house. Otherwise, it would take effect September 1, 2015.

Any costs incurred by the TCEQ and PUC in implementing the provisions of the bill are expected to be absorbed using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas, 582 Commission on Environmental Quality

LBB Staff: UP, SZ, TL